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FISCAL IMPACT STATEMENT

LS 7027

BILL NUMBER: HB 1200

NOTE PREPARED: Dec 30, 2002

BILL AMENDED:

SUBJECT: Police and Fire Surviving Spouse Benefits.

FIRST AUTHOR: Rep. Kromkowski

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill increases to 35% of the monthly pay of a first class police officer or firefighter the minimum surviving spouse benefit for the 1925 Police Pension Fund and 1937 Firefighters' Pension Fund.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: For 2000, \$3,527,641 was paid for survivor benefits for all funds, including the 1977 Police Officers' and Firefighters' Pension and Disability Fund. Adjusting for inflation and the specific funds (the 1925 Police Pension Fund and 1937 Firefighters' Pension Fund), this proposal will increase annual expenditures by an estimated \$415,000 for local units on a statewide basis.

Background Information:

The 1925 Police Pension Fund and 1937 Firefighters' Pension Fund are funded on a "pay-as-you-go" basis under which benefits are paid out of current revenue provided by the individual cities and towns and by plan members' mandatory contributions.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Those units with members in the 1925 Police Pension Fund and 1937 Firefighters' Pension Funds.

Information Sources: 2001 Actuarial Valuation for Municipal Police Officers' and Firefighters' Pension Plans.

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